

Senate Bill No. 51

Passed the Senate August 31, 2006

Secretary of the Senate

Passed the Assembly August 31, 2006

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2006, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 19613.3 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 51, Migden. Horsemen's organizations.

Existing law provides for the recognition of horsemen's and horsewomen's organizations by the California Horse Racing Board. Each organization, except for the thoroughbred horsemen's and horsewomen's organizations, and except an organization that solely represents owners, or solely represents trainers, is required to provide for the representation of owners and trainers on its board of directors. Each thoroughbred horsemen's and horsewomen's organization, except one that solely represents trainers, is required to provide for the representation of owners and owner-trainers on its board.

Existing law provides that the organization representing owners who are also licensed as trainers, and their spouses who are licensed as owners, shall comprise a class of owner-trainers, which may elect 3 of its members to the board of directors of the owner's organization, while all other directors shall be owners and not owner-trainers. The law prohibits the board of the thoroughbred owners' organization from exceeding 15 members and requires all members to have qualified as owner-trainers, to the board of the thoroughbred owners' organization. These provisions will be repealed as of January 1, 2007.

This bill would instead require 3 members of the class of owner-trainers to be elected to the board of directors of the organization representing owners. The bill would require the organization representing owners to provide in its bylaws that all members of the organization shall have the right to vote in the election of all members of its board of directors, and that at least 3 of the 12 directors who represent owners and at least one who represents owner-trainers shall reside and race in the northern zone. The bill would further require the owners organization to provide in its bylaws that a subcommittee be formed to

specifically address purse schedules in the northern zone, as specified.

This bill would maintain these provisions in effect until January 1, 2009.

The people of the State of California do enact as follows:

SECTION 1. Section 19613.3 of the Business and Professions Code is amended to read:

19613.3. (a) Except as provided in subdivision (b), (c), (d), (e), (f), and (g) relating to thoroughbred horsemen's organizations, each horsemen's organization, except an organization that solely represents owners or an organization that solely represents trainers, shall provide for the representation of owners and trainers on its board of directors. The provisions setting forth the composition of the board of directors of each organization shall be in the bylaws of the organization and shall be submitted to the board. The bylaws and any changes thereto shall be approved by the board.

(b) Each thoroughbred horsemen's organization, except an organization that solely represents trainers, shall provide for the representation of owners and owner-trainers, as defined in subdivision (c), on its board of directors. The provisions setting forth the composition of the board of directors of each organization shall be in the bylaws of the organization and shall be submitted to the board. The bylaws and any changes thereto shall be approved by the board.

(c) The organization representing owners shall provide in its bylaws that owners who are also licensed as trainers, and their spouses who are licensed as owners, shall comprise the membership class of owner-trainers. Three members of this class shall be elected to the board of directors of the organization representing owners. All other directors shall be owners as defined in Section 19613, and shall not be members of the class of owner-trainers.

(d) The organization representing owners shall provide in its bylaws that all members of the organization, including owners who are trainers and their spouses who are licensed as owners, shall have the right to vote in the election of all members of the organization's board of directors.

(e) The organization representing owners shall provide in its bylaws that at least three of the 12 directors who represent the membership class of licensed owners, and at least one of the three directors who represent the membership class of owner-trainers, shall both reside and race in the northern zone. In order to qualify for election to these board positions, individuals must have at least six race starts in horse races in the northern zone during the previous calendar year.

(f) The organization representing owners shall provide in its bylaws that a subcommittee be formed specifically to address purse schedules in the northern zone. This subcommittee shall be comprised of three of the four board members from the northern zone, including the one owner-trainer member, one additional owner-trainer who resides and races in the northern zone designated by the organization representing trainers and other owners who both reside and race in the northern zone as deemed necessary by the board members from the northern zone. The organization shall make at least one staff person available in the northern zone to support the activities of this subcommittee. In order to serve as a member of the subcommittee individuals must have owned thoroughbreds making at least six race starts in horse races in the northern zone in the preceding calendar year. The bylaws shall be consistent with the provisions of this subdivision so as to provide comprehensive representation of thoroughbred owners and owner-trainers in the northern zone.

(g) The board of directors of the thoroughbred owners' organization shall not exceed 15 persons, and all members of the board shall have equal standing. No person other than a duly elected or appointed member of the board of directors shall be entitled to vote on matters that are subject to the vote of the board.

(h) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.

Approved _____, 2006

Governor